

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

FRANCHISE GROUP, INC., *et al.*,¹

Debtors.

Chapter 11

Case No. 24-12480 (LSS)

(Jointly Administered)

Related D.I. 1125, 1244

**CERTIFICATION OF COUNSEL REGARDING FIRST INTERIM
FEE APPLICATION OF AKIN GUMP STRAUSS HAUSER & FELD LLP AS
SPECIAL CO-COUNSEL ON BEHALF OF AND AT THE SOLE DIRECTION OF
THE INDEPENDENT DIRECTOR, MICHAEL J. WARTELL, FOR THE PERIOD
FROM DECEMBER 9, 2024 THROUGH AND INCLUDING JANUARY 31, 2025**

I, Michael D. DeBaecke, an attorney with the law firm of Ashby & Geddes, P.A., Delaware special counsel to Michael J. Wartell, in his capacity as independent director (the “Independent Director”) and sole member of the conflicts committees of the boards of debtors Freedom VCM Interco, Inc. and Freedom VCM, Inc. (the “Retaining Debtors”) in the above-captioned bankruptcy

¹ The Debtors in these chapter 11 cases, along with the last four digits of their U.S. federal tax identification numbers, to the extent applicable, are Franchise Group, Inc. (1876), Freedom VCM Holdings, LLC (1225), Freedom VCM Interco Holdings, Inc. (2436), Freedom Receivables II, LLC (4066), Freedom VCM Receivables, Inc. (0028), Freedom VCM Interco, Inc. (3661), Freedom VCM, Inc. (3091), Franchise Group New Holdco, LLC (0444), American Freight FFO, LLC (5743), Franchise Group Acquisition TM, LLC (3068), Franchise Group Intermediate Holdco, LLC (1587), Franchise Group Intermediate L, LLC (9486), Franchise Group Newco Intermediate AF, LLC (8288), American Freight Group, LLC (2066), American Freight Holdings, LLC (8271), American Freight, LLC (5940), American Freight Management Company, LLC (1215), Franchise Group Intermediate S, LLC (5408), Franchise Group Newco S, LLC (1814), American Freight Franchising, LLC (1353), Home & Appliance Outlet, LLC (n/a), American Freight Outlet Stores, LLC (9573), American Freight Franchisor, LLC (2123), Franchise Group Intermediate B, LLC (7836), Buddy’s Newco, LLC (5404), Buddy’s Franchising and Licensing LLC (9968), Franchise Group Intermediate V, LLC (5958), Franchise Group Newco V, LLC (9746), Franchise Group Intermediate BHF, LLC (8260); Franchise Group Newco BHF, LLC (4123); Valor Acquisition, LLC (3490), Vitamin Shoppe Industries LLC (3785), Vitamin Shoppe Global, LLC (1168), Vitamin Shoppe Mariner, LLC (6298), Vitamin Shoppe Procurement Services, LLC (8021), Vitamin Shoppe Franchising, LLC (8271), Vitamin Shoppe Florida, LLC (6590), Betancourt Sports Nutrition, LLC (0470), Franchise Group Intermediate PSP, LLC (5965), Franchise Group Newco PSP, LLC (2323), PSP Midco, LLC (6507), Pet Supplies “Plus”, LLC (5852), PSP Group, LLC (5944), PSP Service Newco, LLC (6414), WNW Franchising, LLC (9398), WNW Stores, LLC (n/a), PSP Stores, LLC (9049), PSP Franchising, LLC (4978), PSP Subco, LLC (6489), PSP Distribution, LLC (5242), Franchise Group Intermediate SL, LLC (2695), Franchise Group Newco SL, LLC (7697), and Educate, Inc. (5722). The Debtors’ headquarters is located at 2371 Liberty Way, Virginia Beach, Virginia 23456.

cases (the “Chapter 11 Cases”) of Franchise Group, Inc. and certain of its affiliates (collectively, the “Debtors”), hereby certify the following:

1. On March 17, 2025, Akin Gump Strauss Hauer & Feld LLP (“Akin”) filed the *First Interim Fee Application of Akin Gump Strauss Hauer & Feld LLP as Special Co-Counsel on Behalf of and at the Sole Direction of the Independent Director Michael J. Wartell, for the Period from December 9, 2024 through and including January 31, 2025* [Docket No. 1125] (the “Interim Fee Application”).

2. By the Interim Fee Application, Akin requested \$2,867,401.00 in compensation for services rendered and \$111,706.42 in reimbursement for expenses incurred in the Chapter 11 Cases on behalf of the Independent Director during the interim period covering December 9, 2024 through and including January 31, 2025 (the “Interim Period”).

3. On April 4, 2025, the Court-appointed fee examiner, Direct Fee Review LLC (the “Fee Examiner”), filed the *Fee Examiner’s Final Report Regarding First Interim Fee Application Request of Akin Gump Strauss Hauer & Feld LLP* [Docket No. 1244] (the “Fee Examiner Report”). As noted in the Fee Examiner Report, Akin agreed with the Fee Examiner to reduce its requested fees by \$44,571.00 and its requested expenses by \$141.60 with respect to the Interim Period. The Fee Examiner recommended approval of the Interim Fee Application in the respective agreed reduced amounts of \$2,822,830.00 in fees and \$111,564.82 in expenses, for a total allowance of \$2,934,394.82. (Fee Examiner Report ¶15).

4. Pursuant to the Notice of Interim Fee Application, any objections or responses were to be filed with the Court and properly served by April 7, 2025, at 4:00 p.m. (Eastern Time).

5. As of the date hereof, Akin has not been served with or otherwise received any responses in opposition to the Interim Fee Application. A review of the Court’s docket indicates

that, as of this date, no responses or objections, other than the Fee Examiner Report, have been filed with respect thereto.

6. Attached hereto as Exhibit 1 is a proposed order approving the Interim Fee Application (the “Proposed Order”). The Fee Examiner has reviewed the Proposed Order and has advised Akin that he does not object to entry of the Proposed Order. The Retaining Debtors therefore respectfully request that the Court enter the Proposed Order at its earliest convenience without further notice or hearing.

WHEREFORE, Akin respectfully requests entry of the Proposed Order authorizing payment of allowed interim compensation of \$2,822,830.00 and allowed interim expenses of \$111,564.82, less any amounts already paid to Akin pursuant to monthly fee applications filed with respect to the Interim Period and in accordance with the provisions of the *Order Establishing Procedures for Interim Compensation and Reimbursement of Expenses for Professionals* [Docket No. 353].

Dated: April 15, 2025
Wilmington, Delaware

ASHBY & GEDDES, P.A.

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*Special Counsel on behalf of and at the sole direction
of Michael J. Wartell as the Independent Director and
sole member of the Conflicts Committee of the Board of
each of the Retaining Debtors*